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MOLINA'S MOTION](#)

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MEMO DATED MARCH 7, 2005](#)

MOTION BY SUPERVISOR YVONNE B. BURKE
AND SUPERVISOR GLORIA MOLINA

March 8, 2005

On June 2, 1998, the Board adopted an Allocation and Distribution Plan for the City of Industry Redevelopment Housing Set-Aside Funds (Industry Funds). These funds consist of 20 percent of tax increment funds transferred from the City of Industry to the County's Housing Authority to develop low- and moderate-income housing. This action resulted from State legislation, enacted in 1992, which granted oversight authority to the Housing Authority to ensure equitable application and use of these funds within a 15-mile radius of the City of Industry.

To date, the Housing Authority has successfully awarded over \$116 million for 128 affordable and special needs housing projects, which has leveraged over \$738 million in other resources. Overall, these efforts have produced over 4,500 housing units.

In the past few years, the City of Industry has sponsored State legislation to alter the successful Industry Funds program. The Board has adopted a policy, as part of the County's State Legislative Agenda, to oppose legislation that would jeopardize the transfer of Industry Funds to the Housing Authority. In addition, the Board has gone on record opposing recent legislative attempts to alter the program. The City of Industry has again sponsored legislation, Assembly Bill 1491, to change the current structure of the Industry Funds program. The bill, which is sponsored by Assemblyman Ronald S. Calderon of the 58th Assembly District, would remove the Housing Authority's oversight of the Industry Funds program. Given the success of the program, there is no reason

-M-O-R-E-

MOTION

BURKE	_____
YAROSLAVSKY	_____
KNABE	_____
ANTONOVICH	_____
MOLINA	_____

**MOTION BY SUPERVISOR YVONNE B. BURKE
AND SUPERVISOR GLORIA MOLINA**

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to modify the existing law, and any legislation to do so would be disadvantageous to the County.

I, THEREFORE, MOVE THAT the Board of Supervisors of the County of Los Angeles:

1. Oppose the passage of AB 1491 (Calderon), or other efforts that would weaken the Housing Authority's ability to administer the Industry Funds program in the current effective manner; and
2. Instruct the County's Legislative Advocates to actively work for the defeat of AB 1491; and
3. Instruct the Executive Officer of the Board to send a five-signature letter to the author of AB 1491, and the Chair and committee members of the Assembly Committee on Housing and Community Development, with copies to members of the State Legislature representing Los Angeles County, opposing AB 1491.

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YBB:JO:jt3(AB1491)



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Chief Administrative Officer

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YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

March 7, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

MOTION TO OPPOSE AB 1491 (CALDERON) -- INDUSTRY HOUSING FUND PROGRAM (ITEM NO. 52-A, AGENDA OF MARCH 8, 2005)

Item No. 52-A on the March 8, 2005 Agenda is a motion by Supervisors Burke and Molina to oppose AB 1491 (Calderon); instruct the County's Legislative Advocates to actively work for the defeat of AB 1491; and instruct the Executive Officer to send a five-signature letter to the author, the Chair, and members of the Assembly Housing and Community Development Committee, and to the County's State Legislative delegation.

AB 1491, as introduced on February 22, 2005, would reduce the Housing Authority's responsibility for the allocation of Industry Housing Fund Program funds. It would authorize the City of Industry to transfer up to 50 percent of the low- and moderate-income housing funds currently administered by the Housing Authority to another eligible public entity located outside the City.

Existing law requires cities and counties to adopt housing elements, which must include plans to provide for the housing needs of all income levels within the area affected by the general plan of the jurisdiction. Because the City of Industry has no residentially zoned land within its boundaries, existing law exempts the City of Industry from adoption of a housing element. Instead, the City must transfer 20 percent of its total tax increment revenue required to be set-aside for low- and moderate-income housing to the County Housing Authority to administer for this purpose. The Housing Authority is required, on behalf of the City, to allocate these funds for housing projects within a 15-mile radius of the City of Industry.

The Community Development Commission indicates that AB 1491 would modify a proven and effective program that has been a major source of financing for affordable housing in the County and would hinder efforts to increase affordable housing in the County. To date, the program has allocated over \$116 million and leveraged \$738 million in additional investment toward the funding of 128 developments, for over 4,500 units of affordable rental, for sale, and special needs housing. The Commission further indicates that the measure is the latest effort on the part of the City to abrogate its commitment under SB 1718, the 1992 legislation which established the City's existing exemption, without losing its exemption. County Counsel is concerned that AB 1491 could: 1) require an additional agreement between the City and the Housing Authority, 2) result in the termination of the City's housing element exemption, or 3) impair the agreement which could lead to litigation.

The Community Development Commission recommends that the County oppose AB 1491, and we concur. Opposition to AB 1491 is consistent with existing Board Legislative policy to oppose legislation that would jeopardize the transfer of the City of Industry Tax Increment Housing Set-Aside funds to the Housing Authority of the County of Los Angeles. The County has previously opposed City of Industry sponsored proposals which would have transferred control of the low- to moderate-income housing set-aside funds back to the City, including budget trailer bill language proposed by Assembly Member Firebaugh in June of 2004, AB 2264 (Chavez) of 2004, and AB 618 (Calderon) in 2001, all of which failed passage.

AB 1491 is sponsored by the author and there is no registered support or opposition. The bill has not yet been set for hearing.

DEJ:GK
MAL:JF:EW:ib

c: Executive Officer, Board of Supervisors
County Counsel
Community Development Commission